## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

In re:	§	
	§	Case No. 4:24-mc-01523
Jackson Walker LLP	§	
	§	

## UNITED STATES TRUSTEE'S NOTICE TO THE HEARING JUDGE

TO THE HONORABLE LEE H. ROSENTHAL, UNITED STATES DISTRICT JUDGE,

Kevin M. Epstein, the United States Trustee for the Southern District of Texas ("U.S. Trustee") files this *Notice to the Hearing Judge* to provide additional information relevant to the pending disciplinary action initiated by Bankruptcy Judge Marvin Isgur ("Judge Isgur") against Jackson Walker LLP ("Jackson Walker"). <sup>1</sup>

On September 20, 2024, "pursuant to Rule 6 of the Disciplinary Rules of this District," Judge Isgur referred Jackson Walker to Chief United States District Judge Randy Crane ("Chief Judge Crane") for disciplinary action (the "JW Referral"). ECF No. 1. The same day, the JW Referral was randomly assigned to this Court.<sup>2</sup> ECF No. 2.

The U.S. Trustee is actively engaged in discovery in 33 unique bankruptcy cases in which Jackson Walker was retained as a professional and awarded fees but completely and consistently failed to disclose that its former partner, Elizabeth Freeman, and former Bankruptcy Judge David

<sup>&</sup>lt;sup>1</sup> The Rules of Discipline, United States District Court for the Southern District of Texas ("Disciplinary Rules"), do not specifically prohibit a third party from making statements in the disciplinary proceeding. The Disciplinary Rules, in fact, contemplate any "hearing will be held on the record in open court," at which Federal Rule of Evidence 1101(d)(3) applies. Disciplinary Rules 6D.

<sup>&</sup>lt;sup>2</sup> The Disciplinary Rules identify a "reviewing judge" and a "hearing judge," which have different roles in the process of determining whether the referred lawyer engaged in misconduct warranting discipline. Disciplinary Rules 6B–C. Here, this matter was randomly assigned to this Court as "hearing judge." *See* ECF No. 2; Disciplinary Rules 6B.

Jones co-owned a home, on which Ms. Freeman paid the property taxes, and that they had a long-term intimate, cohabitating relationship.<sup>3</sup>

Although Judge Isgur's letter to Chief Judge Crane includes a section of "Relevant Facts," the U.S. Trustee submits that the Hearing Judge may benefit from fully discovered facts in the above-referenced matters before it determines what discipline is appropriate. Fact discovery is currently set to close on November 1, 2024.

Additionally, the U.S. Trustee anticipates that he may submit similar letters to Chief Judge Crane predicated on attorney misconduct, arising out of the same core facts giving rise to Judge Isgur's referral. If amenable to Chief Judge Crane and the Hearing Judge, the U.S. Trustee suggests that the Hearing Judge may wish to consider such additional referral letters concurrently in the above-captioned proceeding to promote judicial efficiency.

If the Hearing Judge determines it is appropriate to hear from the parties actively involved in litigation in the bankruptcy court, the U.S. Trustee is available to appear and answer any questions.

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<sup>&</sup>lt;sup>3</sup> See, e.g., In re Neiman Marcus Group LTD LLC, Case No. 20-32519 (Bankr. S.D. Tex.) ("Neiman Marcus"), ECF Nos. 3178, 3184, 3224, 3234, 3239. See In re Professional Fee Matters Concerning the Jackson Walker Law Firm, Case No. 23-645 (Bankr. S.D. Tex. Dec. 7, 2023) (combining each of the 33 bankruptcy cases in which the U.S. Trustee's seeks relief against Jackson Walker in to one miscellaneous proceeding for discovery and pre-trial purposes only).

Date: October 3, 2024

Respectfully Submitted,

KEVIN M. EPSTEIN UNITED STATES TRUSTEE REGION 7, SOUTHERN AND WESTERN DISTRICTS OF TEXAS

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